

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
WASHINGTON, D.C.

Mailing Online Service

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Docket No. MC98-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORY TO UNITED STATES POSTAL SERVICE
WITNESS: PAUL G. SECKAR
(OCA/USPS-T2-21)
JANUARY 26, 1999

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits an interrogatory and request for production of documents. Instructions included with OCA interrogatories OCA/USPS-T1-1-7 to witness Lee Garvey, dated July 21, 1998, are hereby incorporated by reference.

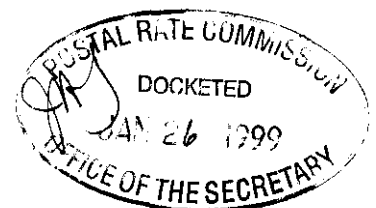
Respectfully submitted,

Gail Willette

Gail Willette
Acting Director
Office of the Consumer Advocate

Shelley S. Dreifuss

Shelley S. Dreifuss
Attorney



OCA/USPS-T2-21. Please refer to your Updated Response to Question Posed by Presiding Officer at the November 20, 1998 Hearing, dated January 14, 1999. In this response, you state that, "[I]ncremental costs include both the one time information technology costs needed to start the experiment and the variable information technology costs for each experimental year." In USPS-T-2 at 9, lines 5-7, you state that: "The Mailing Online cost equation consists of two types of costs, both of which are attributable. The first contains the start-up and recurring costs incurred first-hand by the Postal Service."

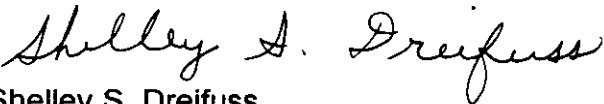
- a. Comparing both of these statements, is it fair to say that you believe that:
 - i. one time information costs are equivalent to start-up costs,
 - ii. and variable information costs are equivalent to recurring costs, and
 - iii. incremental costs are equivalent to attributable costs?

If you disagree with any of these characterizations, please explain.

- b. Would it be correct to say that your definition of attributable costs is essentially the same as that articulated by the Commission at paras. [4016-18, and 4024] of PRC OP. R97-1; i.e., (1) that attributable costs consist of marginal plus specific fixed costs; (2) that incremental costs come closest to the definition of attributable costs; and (3) that the attributable (or incremental) costs of a subclass are those that should be marked up to determine rates? If you do not agree, please explain.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Shelley S. Dreifuss
Attorney

Washington, D.C. 20268-0001
January 26, 1999